

**1:1 Bonus announced Exports jumps 48%;
powers profit growth PAT up 21.2%,
Total income up 20.8%,
R&D expense 11.7% of turnover**

Mumbai, April 21

Sun Pharmaceutical Industries Ltd., the specialty pharmaceutical company reported results for the year ending 31/3/2004. Profit at Rs. 2804.2 mill was up 21.2% (Rs. 2314mill). Total Income at Rs. 10552.7 mill was up 20.8%. Sales at Rs. 9347.4 mill (Rs. 8587mill) was up 8.8%.

These audited results were taken on board at a meeting held in Mumbai today. The board proposed a bonus issue of equity shares in the ratio of 1:1. The board also recommended a dividend of 130% on the equity shares of the Company for the year ended 31st March 2004 subject to approval at the AGM.

For the 4th quarter, sales were Rs. 2348.8 mill as against Rs. 2341.1 mill last year. PAT is up 20.3% to Rs. 892.2 mill (Rs. 741.7 mill). The sales last year in the 4th quarter had one time sale of Rs. 350mill. After factoring in this, sales in the 4th quarter is up 11.1% on a like to like basis.

Sun Pharma combined with the 95% partnership Sun Pharmaceutical Industries (SPI) reported Total income Rs. 9884.1 (Rs. 8732.6 mill), up 13.2%, Profit at Rs. 2804.2 mill, up 21.2%, sales at Rs. 9692.6 mill (Rs. 8587.4mill) up 12.9%. For the 4th quarter, sales were up 8% to Rs. 2527.8 mill as against Rs. 2341.1 mill last year. PAT up 20.3% to Rs. 892.2 mill (Rs. 741.7 mill).

Breakups:

For the year, Domestic formulation was the largest contributor to turnover (60%), and was Rs. 5642.4 mill (Rs. 5763.7 mill). Total Exports was 23% of sales. At Rs. 2176.5mill (Rs.1469.5mill) it was up 48% Export of specialty bulk active was Rs. 1533.2mill (Rs.1062.5mill), up 44.3%. Formulation exports, a major growth driver was Rs. 609.1mill, a growth of 53.1% (last year Rs. 397.7mill).

For the 4th quarter, domestic formulation sales was Rs. 1408.4mill (Rs. 1617.9mill) with the impact of the additional sales last year fourth quarter, Total Exports Rs. 587.3mill (Rs. 419.9mill), up 40%. Exports of specialty bulk actives was Rs. 408.8mill. (Rs. 295.4mill), up 38.4%, Exports of formulations was Rs. 163.9 mill. (Rs. 120.3mill), up 36.2%

The bulk active turnover for the year reflects continuing margin improvement after regulatory approvals that had been received from US/ Europe earlier began bringing in sales.

Exports of formulations, continuing with the ground based marketing strategy with regular doctor calls and promotional effort, continues to show exciting performance.

Caraco's 2003 numbers:

Caraco had posted sales of \$45.5mill, PAT of \$11.2 mill and net cash from operations of \$15.5mill for December 2003. Sun Pharma in January this year had increased stake in Caraco to 63% through a buyout of equity from large shareholders and Caraco's numbers have been consolidated with that of the company using a line by line basis.

The Detroit, USA based Caraco Pharm Labs currently has 4 ANDAs filed and awaiting FDA approval, and 13 ANDAs received based on projects transferred by Sun Pharma that are currently being marketed. Caraco has shared estimates of 20-25% top line growth for the year, and expects to make 7 filings for the year ending December 2004.

International approvals:

The company's formulation site received approval from UK MCA, South African MCC, Brazilian ANVISA and Columbian INVIMA this year. This adds to the list of approvals received at the bulk active plants – the Panoli plant is ISO9002 certified, and approved for Europe, US and Australia. Ahmednagar is approved for the US, and Europe and holds ISO 9002 and ISO 14001 certification. ISO certifications have also been received for the Ankleshwar and Chennai plants. The company has 10 regulated market approvals for bulk actives received and 17 filings pending approval.

Awards/ recognition:

4 of the company's sites won the IDMA Quality Excellence Awards for 2003- Vapi, Silvas 2, Ahmednagar and Panoli plants.

The company was ranked by Forbes Global among the best companies for 2003 (turnover less than \$500mill ;October 2003). The BT Stern Stewart survey placed Sun pharma among the top 20 wealth creators in India and among the top 3 wealth creators in the pharma sector.

Rankings:

In an increasingly competitive marketplace, Sun Pharma continues to be ranked 5th with a significantly higher than industry growth rate at 12.3% which is the highest among the top 5 companies. (AC Nielsen ORG Retail Chemist Audit February 2004). Market share is at 3.10%, up from 2.99% last year and 2.57 % in 2001. (ORG Retail Chemist Audit Data Feb 2004 and March 2003, Feb 2001, all MAT).

As per the C MARC data for November 2003–February 2004, Sun Pharma continues to add prescription share with specialists and is ranked 1st with psychiatrists and 1st with neurologists. The company ranked 8th with oncologists, and 11th with gynecologists, and continues to maintain its 2rd rank with cardiologists, and gastroenterologists. The company is rated 3th with orthopedicians, and 4th with ophthalmologists and chest physicians. Overall, the company is ranked 7th according to C MARC.

New research sites, patents:

With the patent filings made by the IP team last year, the total number of patents submitted pending approval now stands at 248, with 34 patents received.

At the Company's R&D Centre SPARC in Baroda, the progress of projects in NCE in three specific therapy areas; as well as that of platform NDDS technologies is fairly satisfactory. The new 16 acre R&D campus in Baroda with 200,000 sq ft research area is nearing completion and will commence partial operations this year. The Mahakali R&D centre site was commissioned this year with space for 150scientists and focus on projects for the US/ Europe and certain platform NDDS.

R&D expense for 2003-04 at Rs. 1076.8 mill (Rs. 657.7 mill) reached 11.5% of turnover, of which the revenue was Rs. 478.5 mill (Rs. 294.3mill)

New manufacturing sites:

A new manufacturing site at Jammu was completed with an investment of Rs 170 mill and a tableting capacity of 115tabs/ yr. Like the plant at Dadra commissioned last year, this plant too has been formed as a partnership between Sun Pharma (95% stake) and Sun Pharma Key Employees Benefit trust (5%) stake.

The company's first joint venture manufacturing unit in Bangladesh spread over 25,000 sq ft. is close to being commissioned.

Sun Pharma had recently shared its intent to raise funds not over \$350mill by issue of an equity linked instrument -debentures/bonds/securities/foreign currency convertible bonds, secured or unsecured. This is subject to requisite approvals of the Shareholders at an EGM on May 6, and regulatory approval.

According to Dilip Shanghvi, Managing Director of the company, "With a strengthened base both in domestic markets and in internationally approved manufacturing sites, we are ready to move to the next orbital of international operations."

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